

Summary of Tax-Deferred Savings Plans Offered to State Employees

Plan Name	Retirement	Supplement	DB	DC
PERA 401a	Yes		Yes	
PERA 401k		Yes		Yes
State of Colorado 457 Plan		Yes		Yes
State Defined Contribution Plan *	Yes			Yes
403b (Higher Education only)		Yes		Yes

Definitions

In general terms, the difference between a defined contribution (DC) plan and a defined benefit (DB) plan, such as PERA, as follows.

- DC plan - Your total retirement benefit is equal to your total accumulated account balance or the amount that has been contributed by you and your employer plus any income, expenses, gains or losses (e.g. State DC Plan, 457, 401(k)).
- DB plan - Your total retirement benefit under a defined benefit plan is based on number of years of service, your age and your highest average salary. With this information, a monthly benefit is calculated that you will receive for the rest of your life. Unlike the DC plan, the total benefit is not directly based on how much was contributed on your behalf.
- Retirement Plan – A plan that provides benefits, after retirement, from a trust or other separately maintained fund, by the purchase of insurance, or from general assets (unfunded plan). The amount of benefits is either specified or calculated in accordance with a set formula based on factors such as age and service.
- Supplemental Tax-Deferred Savings Plan – An optional plan that provides benefits to employees in addition to regular retirement benefits. Supplemental benefits vary according to the terms of each plan and include such items as the payment of benefits in the event of terminations, death, disability or early retirement.

(*) Eligibility for this plan as of 01/01/05 is, "Eligible employee means a member of the general assembly, the governor, the lieutenant governor, the attorney general, the chief deputy attorney general, the solicitor general, the secretary of state, the deputy secretary of state, the state treasurer, the deputy state treasurer, a district attorney, an assistant district attorney, a chief deputy district attorney, a deputy district attorney, or other employee of a district attorney, a member of the public utilities commission, an executive director of a department of state appointed by the governor, an employee of the senate or house of representatives, any employee who commences employment with an employer on or after January 1, 2006, and has not been a member or retiree of the association or an active participant in a defined contribution plan established pursuant to this part 2 during the twelve months prior to the date that he or she commenced employment and a non-classified employee of the office of the governor, for whom a defined contribution plan has been established pursuant to the provisions of this part 2" [C.R.S. 24-52-202].